BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power & Light Company.	))))	**DOCKET NO. 20250011-EI**

Direct Testimony and Exhibits of

Brian C. Andrews

On behalf of

Federal Executive Agencies

June 9, 2025

BRUBAKER & ASSOCIATES, INC.

Project 11813

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power & Light Company.	))))	**DOCKET NO. 20250011-EI**

STATE OF MISSOURI	)	
	)	**SS**
COUNTY OF ST. LOUIS	)	

Affidavit of Brian C. Andrews

Brian C. Andrews, being first duly sworn, on his oath states:

1. My name is Brian C. Andrews. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Federal Executive Agencies in this proceeding on their behalf.

2. Attached hereto and made a part hereof for all purposes are my direct testimony and exhibits which were prepared in written form for introduction into evidence in the Florida Public Service Commission Docket No. 20250011-EI.

3. I hereby swear and affirm that the testimony and exhibits are true and correct and that they show the matters and things that they purport to show.

[signature]
Brian C. Andrews

Subscribed and sworn to before me this 9th day of June, 2025.

ADRIENNE J. FOLLETT
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Mar. 22, 2029
Commission # 21989987

[signature]
Notary Public

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<u>Direct Testimony of Brian C. Andrews</u>

I. INTRODUCTION

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Brian C. Andrews. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and a Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to this testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A I am appearing in this proceeding on behalf of the Federal Executive Agencies ("FEA").

Q WHAT IS THE SUBJECT MATTER OF YOUR TESTIMONY?

A My testimony addresses Florida Power & Light Company's ("FPL" or "Company") proposed depreciation rates.

To the extent my testimony does not address any particular issue does not indicate tacit agreement with the Company's or another party's position on that issue.

Q HAVE YOU FILED TESTIMONY BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION ("COMMISSION") REGARDING DEPRECIATION ISSUES?

A Yes. I filed testimony in the Tampa Electric Company's 2024 rate case (Docket No. 20230139-EI), FPL's 2016 rate case (Docket No. 160021-EI) and the Gulf Power Company's 2017 rate case (Docket No. 160170-EI) on depreciation issues. In addition, I have filed depreciation-related testimony in Arizona, Arkansas, California, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, New Mexico, Oklahoma, South Carolina, Texas, and Washington DC.

II. SUMMARY

Q PLEASE PROVIDE A SUMMARY BRIEF OF YOUR CONCLUSIONS AND RECOMMENDATIONS IN THIS PROCEEDING.

A My conclusions and recommendations are summarized as follows:

1. FPL has proposed a new set of depreciation rates which would result in a $170.64 million increase to its depreciation expense based on plant balances as of December 31, 2025.[1] This increase is based on overstated depreciation rates. These rates produce an excessive amount of depreciation expense, thus, overstating the test year revenue requirement.
2. FPL's proposal to assume a 2035 retirement date for the Scherer Plant is unsupported. Given the uncertainty of environmental regulations that would

[1] Exhibit NWA-1, Table 2.

have caused Scherer to retire early, the fact the Georgia Power will continue to operate the plant for the foreseeable future, the fact that a 60-year lifespan for this plant is consistent with most coal plants and was the assumed life for the plant in FPL's last depreciation study, I recommend that no change to the 2047 retirement date be made at this time.

3. I present FEA's recommended Steam Plant depreciation rates in Exhibit BCA-1. These depreciation rates were calculated assuming a 2047 retirement date for the Scherer Plant. These depreciation rates should be approved by the Florida Public Service Commission ("Commission").
4. My recommended adjustments to FPL's depreciation rates reduces FPL's 2025 depreciation expense by $14.22 million. I provide a comparison of my proposed test year depreciation expense with FPL's in Exhibit BCA-2.

III. BOOK DEPRECIATION CONCEPTS

Q PLEASE EXPLAIN THE PURPOSE OF BOOK DEPRECIATION ACCOUNTING.

A Book depreciation is the recognition in a utility's income statement of the consumption or use of assets to provide utility service. Book depreciation is recorded as an expense and is included in the ratemaking formula to calculate the utility's overall revenue requirement.

The basic underlying principle of utility depreciation accounting is intergenerational equity, where the customers/ratepayers who benefit from the generated service of assets pay all the costs for those assets during the benefit period, which is over the life of those assets.[2] This concept of intergenerational

[2] Edison Electric Institute, Introduction to Depreciation for Public Utilities and Other Industries, April 2013, page viii.

equity can be achieved through depreciation by allocating costs to customers in a systematic and rational manner that is consistent with the period of time in which customers receive the service value.[3]

Book depreciation provides for the recovery of the original cost of the utility's assets that are currently providing service. Book depreciation expense is not intended to provide for replacement of the current assets, but provides for capital recovery or return of current investment. Generally, this capital recovery occurs over the Average Service Life ("ASL") of the investment or assets. As a result, it is critical that appropriate ASLs be used to develop the depreciation rates so no generation of ratepayers is disadvantaged.

In addition to capital recovery, depreciation rates also contain a provision for net salvage. Net salvage is simply the scrap or reuse value less the removal cost of the asset being depreciated. Accordingly, a utility will also recover the net salvage costs over the useful life of the asset.

Q ARE THERE ANY DEFINITIONS OF DEPRECIATION ACCOUNTING THAT ARE UTILIZED FOR RATEMAKING PURPOSES?

A Yes. One of the most quoted definitions of depreciation accounting is the one contained in the Code of Federal Regulations:

> "Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption of prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given

[3] *Id.* at 22.

consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."[4]

Effectively, depreciation accounting provides for the recovery of the original cost of an asset, adjusted for net salvage, over its useful life.

Q HOW ARE DEPRECIATION RATES DETERMINED?

A Depreciation rates are determined using a depreciation system. There are three components, each with a number of variations, used to determine a depreciation system, which is then used to estimate depreciation rates. The three basic components are methods, procedures, and techniques. The choice of a depreciation system can significantly affect the resulting depreciation rates.

Q PLEASE FURTHER DESCRIBE THE METHODS THAT ARE USED WITHIN A DEPRECIATION SYSTEM.

A There generally are three types of methods of spreading the depreciation expense over the life of property. These are the Straight Line Method, Accelerated Methods, and Deferred Methods. The Straight Line Method is the method most widely used by utility companies for accounting and ratemaking purposes as it is easy to apply and does not create intergenerational inequities because it spreads an equal portion of the plant cost across each accounting period. Accelerated Methods result in higher depreciation rates earlier in an asset's life, and lower depreciation rates later. Deferred Methods have increasing rates over an asset's life.

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[4] Electronic Code of Federal Regulations, Title 18, Chapter 1, Subchapter C, Part 101, para. 12.

Q PLEASE FURTHER DESCRIBE THE GROUPING PROCEDURES THAT ARE USED WITHIN A DEPRECIATION SYSTEM.

A There are three main grouping procedures used within a depreciation system. These four procedures are the Broad Group (more commonly known as the Average Life Group ("ALG")), the Vintage Group, and the Equal Life Group ("ELG").

In the ALG Procedure, all units within a particular account or category are assumed to be part of a single group that exhibits the same life and retirement characteristics. This is the most common utilized procedure.

The Vintage Group and the ELG Procedures assume that sub-groups within a particular account or category may exhibit unique life characteristics. As an example of the Vintage Group Procedure, it may assume that all poles installed in 1985 have a 50-year life, while all poles installed in year 1995 have a 45-year life. With the ELG Procedure, it may assume that all poles that are expected to have a life of 50 years should have one depreciation rate, while poles that are expected to only attain life spans of 45 years would have a different depreciation rate. The overall group depreciation rate would be a composite of the ELG depreciation rates.

Q PLEASE FURTHER DESCRIBE THE TECHNIQUES THAT ARE USED WITHIN A DEPRECIATION SYSTEM.

A There are two techniques used to calculate depreciation rates: Whole Life and Remaining Life. The Whole Life Technique spreads the original cost less net salvage of the account over the average life of the account. This technique requires that separate amortizations be made to correct for over- and under-accumulations due to changes in an account's ASL.

The Remaining Life Technique spreads the unrecovered cost less net salvage over the remaining life of the account. The Remaining Life Technique is the most common technique used and it has a self-correcting nature that spreads any over- or under-accumulations over the remaining life.

Q IN YOUR EXPERIENCE, WHAT DEPRECIATION SYSTEM IS MOST COMMONLY UTILIZED TO DETERMINE UTILITY DEPRECIATION RATES FOR RATEMAKING PURPOSES?

A The most common depreciation system is one that consists of the Straight Line Method, the ALG Procedure, and the Remaining Life Technique.

Q PLEASE DESCRIBE THE ACTUARIAL LIFE ANALYSIS THAT IS PERFORMED TO EVALUATE HISTORICAL ASSET RETIREMENT DATA.

A I will first provide the description of actuarial life analysis (retirement rate method) that is contained in the National Association of Regulatory Utility Commissioners' ("NARUC") Public Utility Depreciation Practices Manual ("NARUC Manual"):

> "Actuarial analysis is the process of using statistics and probability to describe the retirement history of property. The process may be used as a basis for estimating the probable future life characteristics of a group of property.
>
> Actuarial analysis requires information in greater detail than do other life analysis models (e.g., turnover, simulation) and, as a result, may be impractical to implement for certain accounts (see Chapter VII). However, for accounts for which application of actuarial analysis is practical; **it is a powerful analytical tool and, therefore, is generally considered the preferred approach**.

> Actuarial analysis objectively measures how the company has retired its investment. The analyst must then judge whether this historical view depicts the future life of the property in service. The analyst takes into consideration various factors, such as changes in technology, services provided, or, capital budgets."
>
> (NARUC Manual, 1996, Page 111, Emphasis Added).

As explained by the NARUC Manual, when the required data exists, a database that contains the year of installation and the year of retirements for each vintage of property, actuarial life analysis is the preferred method of determining the life, and thus, retirement characteristics of a group of property. In this type of analysis, there are three major steps. The first step is to gather and use available aged data from the Company's continuing plant records to create an observed life table. The observed life table provides the percent surviving for each age interval of property.

The second step is to conduct a fitting analysis to match the actual survivor data from the observed life table to a standard set of mortality or survivor curves. Typically, the observed life table data is matched to Iowa Curves. The fitting process is a mathematical fitting process, which minimizes the Sum of Squared Differences ("SSD") between the actual data and the Iowa Curves.

The third step is to select the best fitting curve while using informed judgment to determine the curve that best represents the property being studied. This includes the use of a visual matching process. Although the mathematical fitting process provides a curve that is theoretically possible, the visual matching process will allow the trained depreciation professional to use informed judgment in the determination of the best fitting survivor curve.

Q PLEASE PROVIDE FURTHER EXPLANATION OF THE SSD STATISTICAL MEASUREMENT.

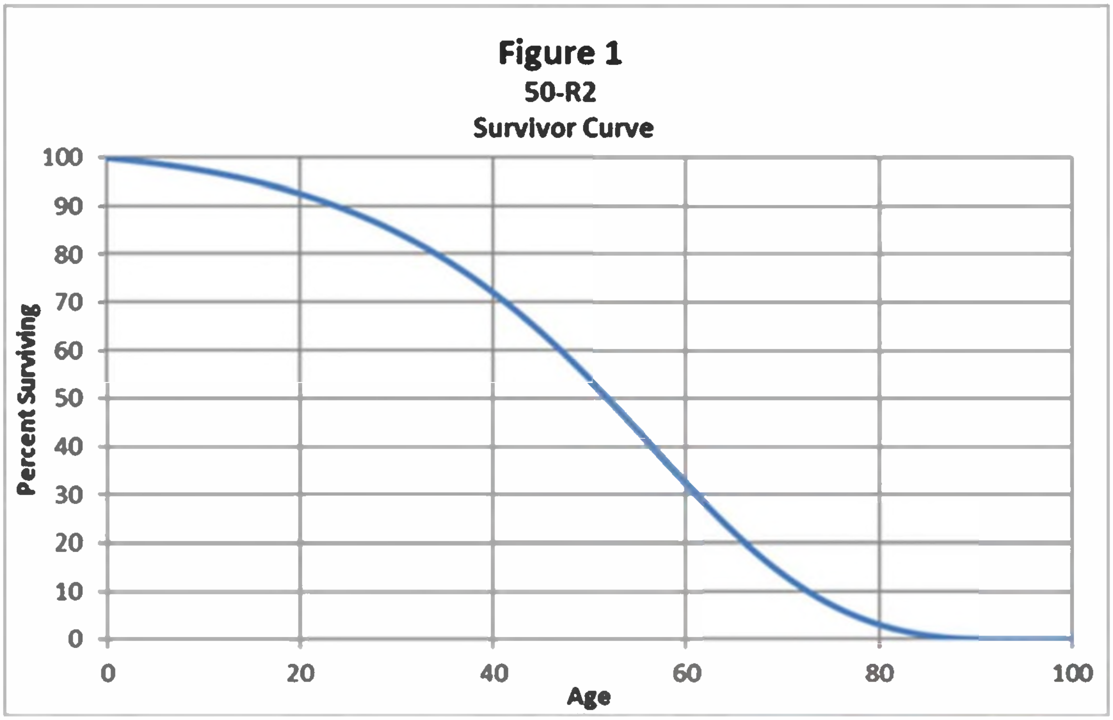
A In the Actuarial Life Analysis section of the NARUC Manual, it describes SSD as follows:

> "Generally, the goodness of fit criterion is the least sum of squared deviations. The difference between the observed and projected data is calculated for each data point in the observed data. This difference is squared, and the resulting amounts are summed to provide a single statistic that represents the quality of the fit between the observed and projected curves.
>
> The difference between the observed and projected data points is squared for two reasons: (1) the importance of large differences is increased, and (2) the result is a positive number, hence the squared differences can be summed to generate a measure of the total absolute difference between the two curves. The curves with the least sum of squared deviations are considered the best fits."
>
> (NARUC Manual, 1996, Pages 124-125).

Q PLEASE EXPLAIN SURVIVOR CURVES AND THE NOTATION USED TO REFERENCE THEM.

A The selection of the survivor curve is one of the most important aspects in conducting a depreciation study. A survivor curve is a visual representation of the amount of property existing at each age interval throughout the life of a group of property. From the survivor curve, parameters required to calculate depreciation rates can be determined, such as the ASL of the group of property and the composite remaining life. For assets with an assumed lifespan or retirement date, the survivor curve is used to estimate the interim retirements that will occur between the study date and the estimated year of final retirement. These parameters directly affect the depreciation rate calculations; therefore, informed judgment should be used in their selection.

In this proceeding, as well as the majority of utility regulatory rate case proceedings throughout the U.S. and Canada, the Iowa Curves are the general survivor curves utilized to describe the mortality characteristics of a group of property. There are four types of Iowa Curves: right-moded, left-moded, symmetrical-moded, and origin-moded. Each type describes where the greatest frequency of retirements occur relative to the ASL. A survivor curve consists of an ASL and Iowa Curve type combination. For example, when describing property with a 50-year ASL that has mortality characteristics of the R2 Iowa Curve, the survivor curve would simply be notated as "50-R2." I present the 50-R2 survivor curve in Figure 1.



IV. FPL DEPRECIATION STUDY RESULTS

Q HAS FPL FILED A NEW DEPRECIATION STUDY IN THIS CASE?

A Yes. FPL filed a depreciation study as Exhibit No. NWA-1. FPL's witness, Mr. Allis of Gannett Fleming, supports this study which was conducted on projected plant balances as of December 31, 2025. The resulting depreciation rates presented in Exhibit No. NWA-1 provide the basis for FPL's depreciation expense component of its revenue requirement.

Q WHAT DEPRECIATION SYSTEM DID FPL UTILIZE IN THE CALCULATION OF DEPRECIATION RATES PRESENTED IN EXHIBIT NO. NWA-1, DOCUMENT NO. 2?

A FPL used a depreciation system consisting of the Straight Line Method, the ALG Procedure, and the Remaining Life Technique[5] to calculate its proposed depreciation rates.

Q HOW DO FPL'S PROPOSED DEPRECIATION RATES IMPACT THE 2025 DEPRECIATION EXPENSE?

A FPL's proposed depreciation rates significantly increase its depreciation expense over that calculated using the currently approved depreciation rates. In Table 1 below, I provide the increase by group. This increase totals $170.64 million, a significant component of FPL's proposed revenue requirement increase.

TABLE 1

Impact of FPL's Proposed Depreciation Rates and Expense
for Electric Plant as of December 31, 2025

	Depreciation Expense ($ Millions)				Depreciation Rates		
			Difference				
Depreciable Group	Present	Proposed	Amount	Percent	Present	Proposed	Difference
Steam	$ 58.32	$ 83.43	$ 25.12	43.07%	2.68%	3.83%	1.15%
Nuclear	$ 220.32	$ 235.87	$ 15.54	7.05%	2.43%	2.60%	0.17%
Combined Cycle	$ 556.63	$ 569.94	$ 13.30	2.39%	3.67%	3.76%	0.09%
Peaker Plants	$ 41.28	$ 37.28	$ (4.00)	-9.70%	3.09%	2.79%	-0.30%
Solar	$ 299.16	$ 300.51	$ 1.35	0.45%	3.00%	3.01%	0.01%
Energy Storage	$ 48.89	$ 49.27	$ 0.38	0.78%	5.00%	5.04%	0.04%
Transmission	$ 308.73	$ 311.54	$ 2.81	0.91%	2.16%	2.18%	0.02%
Distribution	$ 880.14	$ 999.76	$ 119.61	13.59%	2.62%	2.97%	0.35%
General	$ 57.05	$ 53.58	$ (3.48)	-6.09%	3.20%	3.00%	-0.20%
Total	**$ 2,470.55**	**$ 2,641.18**	**$ 170.64**	**6.91%**	**2.79%**	**2.99%**	**0.20%**

Sources: Exhibit NWA-1, Table 2

FPL's proposed $170.64 million increase is a 6.91% increase over depreciation expense based on the currently approved depreciation rates.[6]

[5] Exhibit NWA-1 at page 6.
[6] *See* Table 1 above.

Q HOW DOES FPL EXPLAIN THE NEED FOR SUCH AN INCREASE?

A Mr. Allis provides a figure on page 42 of his Direct Testimony that details the drivers of the $170.64 million increase.[7] The largest driver is the increased cost of removal expense for transmission, distribution and general plant investment which accounts for $91 million of the increase.[8] The second largest driver is due to increased production plant balances with more investment needed to be recovered over the remaining lives of the assets, accounting for $64 million.[9] For example, FPL has shortened the retirement of its Scherer Coal plant from 2047 to 2035,[10] this results in an increase of $14 million.

Q PLEASE SUMMARIZE THE PROPOSED CHANGES THAT YOU ARE RECOMMENDING TO FPL'S DEPRECIATION RATES.

A I propose a single adjustment to FPL's proposed depreciation rates. This adjustment will be to the lifespan of the Scherer Coal plant, to maintain the 2047 retirement date. FPL has prematurely shortened the life of this plant, due to Georgia Power's now changed plan to retire the plant in 2035. FPL has stated that Georgia Power now plans to operate the Scherer Coal plant for the foreseeable future. Given this, and recent executive orders, I propose to maintain the current life of the Scherer coal plant. The depreciation rates proposed by FPL would depreciate the Scherer Plant too quickly, which is a burden on FPL's customers.

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[7] *Id.*
[8] *Id.*
[9] *Id.*
[10] Exhibit NWA-1, page 685.

V. SCHERER LIFE SPAN

Q WHAT LIFE SPAN FOR SCHERER DOES FPL ASSUME IN ITS DEPRECIATION STUDY?

A For depreciation purposes, FPL is proposing to have the Scherer Coal plant retire in 2035, which is only a 48-year life span. This is a 12-year reduction relative to the currently assumed 2047 retirement date for the plant. Mr. Allis states the 2035 retirement date is consistent with the life span currently used by the plant's co-owner and operator, Georgia Power.[11]

Q WHAT IS FPL'S BASIS FOR ITS 2035 RETIREMENT DATE?

A Mr. Allis states the 2035 retirement date is consistent with the life span currently used by the plant's co-owner and operator, Georgia Power.[12] This 2035 retirement date was based on Georgia Power's Integrated Resource Plan which supports either a 2035 or 2038 retirement date. In preparation for the depreciation study, Georgia Power sent FPL an email stating that Scherer Unit 3 would retire on 12/31/2035.[13] This retirement date was largely due to environmental compliance issues from EPA regulations that are now in serious jeopardy given the current Federal Administration.

Q DOES FPL OR GEORGIA POWER NOW EXPECT SCHERER UNIT 3 TO RETIRE IN 2035?

A It seems very unlikely. In Response to FEA's 3rd Set of Interrogatories, No. 7, FPL states, "Georgia Power, the primary owner of Scherer Unit 3, now plans to continue to operate this plant for the **foreseeable future**. As a result, FPL must follow suit

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[11] Direct Testimony of Ned W. Allis at page 26.
[12] *Id.*
[13] *See*, Exhibit BCA-3 for FPL's Response to the Office of Public Counsel's 9th Set of Interrogatories, No. 264.

and push out its retirement date for the unit at a **minimum** to beyond 2034." *See*, Exhibit BCA-4 for the response.

Q PLEASE DISCUSS THE CHANGES TO THE EPA REGULATIONS?

A The Trump administration, under EPA Administrator Lee Zeldin, has initiated significant rollbacks of environmental regulations impacting coal-fired power plants, targeting both Effluent Limitation Guidelines ("ELG")[14] and Greenhouse Gas ("GHG")[15] rules. In March 2025, the EPA announced the reconsideration of the Steam Electric ELG, which regulates wastewater discharges from coal plants, aiming to reduce compliance costs while maintaining water quality protections, though specific changes remain under review. Concurrently, the administration has moved to eliminate GHG emission limits for coal and gas-fired power plants. This includes a draft plan sent to the White House in May 2025 to erase federal GHG caps, building on a 2022 Supreme Court ruling limiting EPA authority to force utilities to shift away from coal. Additionally, a two-year exemption from Mercury and Air Toxics Standards ("MATS") was granted in April 2025 to prevent premature coal plant closures, citing energy reliability concerns. These actions reflect a broader deregulatory agenda to bolster the coal industry and unleash American energy.[16]

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[14] https://www.epa.gov/newsreleases/epa-announces-it-will-reconsider-2024-water-pollution-limits-coal-power-plants-help.

[15] https://www.epa.gov/newsreleases/trump-epa-announces-reconsideration-biden-harris-rule-clean-power-plan-20-prioritized.

[16] https://www.epa.gov/newsreleases/epa-launches-biggest-deregulatory-action-us-history.

Q ARE THERE OTHER EXECUTIVE ACTIONS THAT POTENTIALLY COULD PREVENT THE EARLY RETIREMENT OF SCHERER UNIT 3?

A Yes. On April 8, 2025, President Trump signed the Executive Order ("EO"), "Strengthening The Reliability And Security Of The United States Electric Grid."[17] In this EO, it directs the Secretary of Energy to, among other things, "prevent, as the Secretary of Energy deems appropriate and consistent with applicable law, including Section 202 of the Federal Power Act, an identified generation resource in excess of 50 megawatts of nameplate capacity from leaving the bulk-power system or converting the source of fuel of such generation resource if such conversion would result in a net reduction in accredited generating capacity." It also states, "our electric grid must utilize all available power generation resources, particularly those secure, redundant fuel supplies that are capable of extended operations."

Q IS A 48-YEAR LIFE SPAN FOR A COAL PLANT UNREASONABLY SHORT?

A Yes. In my experience, typical lives for coal plants are 60-65 years, unless shortened due to environmental compliance issues.

Q WHAT IS YOUR RECOMMENDATION FOR THE RETIREMENT DATE FOR SCHERER?

A Given the uncertainty of environmental regulations that would have caused Scherer to retire early, the fact the Georgia Power will continue to operate the plant for the foreseeable future, and the fact that a 60-year lifespan for this plant is consistent with most coal plants and was the assumed life for the plant in FPL's

[17] https://www.whitehouse.gov/presidential-actions/2025/04/strengthening-the-reliability-and-security-of-the-united-states-electric-grid/.

last depreciation study, I recommend that no change to the 2047 retirement date be made at this time.

Q HAVE YOU RECALCULATED FPL'S STEAM DEPRECIATION RATE TO ASSUME A 2047 RETIREMENT DATE FOR SCHERER?

A Yes. In Exhibit BCA-1, I provide FEA's proposed Steam Plant depreciation rates that were calculated with a 2047 retirement date for Scherer. I recommend the Commission approve these Steam Plant depreciation rates.

Q WHAT IS THE IMPACT ON THE DEPRECIATION RATES AND EXPENSE FOR A 2047 RETIREMENT DATE FOR SCHERER?

A In Exhibit BCA-2, I provide comparison FEA's proposed Steam Plant depreciation rates and expense compared to FPL's for all the Steam Production Accounts. In Table 2, I show the comparison for just the Scherer Plant. I note that the change to the retirement date for Scherer does affect the average net salvage rate used for the Gulf Coast Clean Energy Center, causing a very slight increase to the depreciation rates for that plant. In total, this adjustment reduces the Steam Production depreciation expense by $14.22 million.

TABLE 2

Impact of FEA's Proposed Depreciation Rates and Expense
for Steam Production Plant as of December 31, 2025

	Depreciation Expense ($ Millions)				Depreciation Rates		
			Difference				
Plant	FPL	FEA	Amount	Percent	FPL	FEA	Difference
Gulf Clean Energy Center	$ 54.69	$ 55.24	$ 0.55	1.01%	5.16%	5.21%	0.05%
Scherer Steam Plant	$ 28.74	$ 13.97	$ (14.77)	-51.40%	7.09%	3.44%	-3.64%
Total Steam	**$ 83.43**	**$ 69.21**	**$ (14.22)**	**-17.05%**	**3.83%**	**3.18%**	**-0.65%**

Sources: Exhibit BCA-2

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

APPENDIX A – Qualifications of Brian C. Andrews

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Brian C. Andrews. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and a Principal with the firm of BAI, energy, economic and regulatory consultants.

Q PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EMPLOYMENT EXPERIENCE.

A I received a Bachelor of Science Degree in Electrical Engineering from the Washington University in St. Louis/University of Missouri - St. Louis Joint Engineering Program. I have also received a Master of Science Degree in Applied Economics from Georgia Southern University.

I have attended training seminars on multiple topics including class cost of service, depreciation, power risk analysis, production cost modeling, cost-estimation for transmission projects, transmission line routing, MISO load serving entity fundamentals and more.

I am a member and a former President of the Society of Depreciation Professionals. I have been awarded the designation of Certified Depreciation Professional ("CDP") by the Society of Depreciation Professionals. I am also a certified Engineer Intern in the State of Missouri.

As a Principal at BAI, and as an Associate, Senior Consultant, Consultant, Associate Consultant and Assistant Engineer before that, I have been involved with several regulated and competitive electric service issues. These have included book depreciation, fuel and purchased power cost, transmission planning, transmission line routing, resource planning including renewable portfolio standards compliance, electric price forecasting, class cost of service, power procurement, and rate design. This has involved use of power flow, production cost, cost of service, and various other analyses and models to address these issues, utilizing, but not limited to, various programs such as Strategist, RealTime, PSS/E, MatLab, R Studio, ArcGIS, Excel, and the United States Department of Energy/Bonneville Power Administration's Corona and Field Effects ("CAFÉ") Program. In addition, I have received extensive training on the PLEXOS Integrated Energy Model and the EnCompass Power Planning Software. I have provided testimony on many of these issues before the Public Service Commissions in Arizona, Arkansas, California, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, New Mexico, Oklahoma, South Carolina, Texas, Virginia, and Washington DC.

BAI was formed in April 1995. BAI provides consulting services in the economic, technical, accounting, and financial aspects of public utility rates and in the acquisition of utility and energy services through RFPs and negotiations, in both regulated and unregulated markets. Our clients include large industrial and institutional customers, some utilities and, on occasion, state regulatory agencies. We also prepare special studies and reports, forecasts, surveys and siting studies, and present seminars on utility-related issues.

In general, we are engaged in energy and regulatory consulting, economic analysis and contract negotiation. In addition to our main office in St. Louis, the firm also has branch offices in Corpus Christi, Texas; Louisville, Kentucky and Phoenix, Arizona.

533523

FLORIDA POWER AND LIGHT

FEA RECOMMENDED DEPRECIATION RATES MODEL
SUMMARY OF PROBABLE RETIREMENT DATE, ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES AS OF DECEMBER 31, 2025

ACCOUNT	PROBABLE RETIREMENT DATE	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ANNUAL DEPRECIATION ACCRUALS	ANNUAL DEPRECIATION RATE
	(1)	(2)		(3)	(4)	(5)	(6)=(100%-(3))x(4)-(5)	(7)	(8)=(6)/(7)	(9)=(8)/(4)
STEAM PRODUCTION PLANT										
GULF CLEAN ENERGY CENTER										
GULF CLEAN ENERGY CENTER COMMON										
311.00 STRUCTURES AND IMPROVEMENTS	12-2038	90-R1.5	*	(1)	186,314,614.47	88,659,463	99,518,298	12.72	7,821,221	4.20
312.00 BOILER PLANT EQUIPMENT	12-2038	70-L0	*	(2)	67,802,573.74	27,597,337	41,561,288	12.34	3,368,094	4.97
314.00 TURBOGENERATOR UNITS	12-2038	65-R0.5	*	(1)	27,517,819.81	14,160,679	13,632,319	12.28	1,110,432	4.04
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2038	70-S0	*	(1)	92,874,092.60	44,377,280	49,425,554	12.50	3,955,364	4.26
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT	12-2038	70-R0.5	*	(1)	17,306,912.49	5,260,157	12,219,824	11.71	1,043,519	6.03
TOTAL GULF CLEAN ENERGY CENTER COMMON					*391,816,013.11*	*180,054,916*	*216,357,283*	*12.51*	*17,298,629*	*4.41*
GULF CLEAN ENERGY CENTER UNIT 4										
311.00 STRUCTURES AND IMPROVEMENTS	12-2029	90-R1.5	*	(1)	95,771.64	77,578	19,151	3.95	4,854	5.07
312.00 BOILER PLANT EQUIPMENT	12-2029	70-L0	*	(2)	25,432,944.35	18,247,955	7,693,649	3.93	1,955,252	7.69
314.00 TURBOGENERATOR UNITS	12-2029	65-R0.5	*	(1)	11,761,081.51	8,239,971	3,638,721	3.94	923,318	7.85
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2029	70-S0	*	(1)	3,904,101.63	2,880,984	1,062,159	3.95	269,170	6.89
TOTAL GULF CLEAN ENERGY CENTER UNIT 4					*41,193,899.13*	*29,446,488*	*12,413,680*	*3.94*	*3,152,594*	*7.65*
GULF CLEAN ENERGY CENTER UNIT 5										
311.00 STRUCTURES AND IMPROVEMENTS	12-2029	90-R1.5	*	(1)	19,654.33	15,715	4,136	3.96	1,044	5.31
312.00 BOILER PLANT EQUIPMENT	12-2029	70-L0	*	(2)	27,217,079.47	19,717,286	8,044,135	3.93	2,045,387	7.52
314.00 TURBOGENERATOR UNITS	12-2029	65-R0.5	*	(1)	15,959,988.83	10,888,558	5,231,030	3.94	1,326,711	8.31
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2029	70-S0	*	(1)	4,339,940.70	3,072,398	1,310,942	3.96	331,396	7.64
TOTAL GULF CLEAN ENERGY CENTER UNIT 5					*47,536,663.33*	*33,693,957*	*14,590,243*	*3.94*	*3,704,538*	*7.79*
GULF CLEAN ENERGY CENTER UNIT 6										
312.00 BOILER PLANT EQUIPMENT	12-2035	70-L0	*	(2)	158,716,062.90	74,693,276	87,197,108	9.61	9,069,029	5.71
314.00 TURBOGENERATOR UNITS	12-2035	65-R0.5	*	(1)	68,813,305.75	21,556,590	47,944,849	9.68	4,952,665	7.20
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2035	70-S0	*	(1)	38,213,127.39	18,899,573	19,695,685	9.74	2,022,201	5.29
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT	12-2035	70-R0.5	*	(1)	396,451.22	148,072	252,344	8.75	28,845	7.28
TOTAL GULF CLEAN ENERGY CENTER UNIT 6					*266,138,947.26*	*115,297,511*	*155,089,986*	*9.65*	*16,072,740*	*6.04*
GULF CLEAN ENERGY CENTER UNIT 7										
312.00 BOILER PLANT EQUIPMENT	12-2038	70-L0	*	(2)	156,616,338.69	69,795,185	89,953,480	12.30	7,315,742	4.67
314.00 TURBOGENERATOR UNITS	12-2038	65-R0.5	*	(1)	123,145,921.13	47,747,394	76,629,986	12.41	6,175,691	5.01
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2038	70-S0	*	(1)	32,643,452.72	14,203,817	18,766,070	12.54	1,496,508	4.58
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT	12-2038	70-R0.5	*	(1)	592,728.03	275,894	322,761	11.49	28,101	4.74
TOTAL GULF CLEAN ENERGY CENTER UNIT 7					*312,998,440.57*	*132,022,292*	*185,672,297*	*12.36*	*15,016,043*	*4.80*
TOTAL GULF CLEAN ENERGY CENTER					***1,059,683,963.40***	***490,515,163***	***584,123,489***	***10.57***	***55,244,544***	***5.21***
SCHERER STEAM PLANT										
SCHERER COMMON										
311.00 STRUCTURES AND IMPROVEMENTS	12-2047	90-R1.5	*	(1)	33,826,939.68	4,262,921	29,902,288	21.29	1,404,803	4.15
312.00 BOILER PLANT EQUIPMENT	12-2047	70-L0	*	(2)	52,577,677.80	16,326,738	37,302,493	19.99	1,866,328	3.55
314.00 TURBOGENERATOR UNITS	12-2047	65-R0.5	*	(1)	1,394,231.44	619,839	788,335	19.26	40,935	2.94
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2047	70-S0	*	(1)	2,587,190.27	313,992	2,299,070	20.59	111,657	4.32
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT	12-2047	70-R0.5	*	(1)	9,387,481.52	2,280,932	7,200,425	19.58	367,674	3.92
TOTAL SCHERER COMMON					*99,773,520.71*	*23,804,422*	*77,492,611*	*20.44*	*3,791,398*	*3.80*

FLORIDA POWER AND LIGHT

FEA RECOMMENDED DEPRECIATION RATES MODEL
SUMMARY OF PROBABLE RETIREMENT DATE, ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES AS OF DECEMBER 31, 2025

ACCOUNT	PROBABLE RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ANNUAL DEPRECIATION ACCRUALS	ANNUAL DEPRECIATION RATE
	(1)	(2)	(3)	(4)	(5)	(6)=(100%-(3))x(4)-(5)	(7)	(8)=(6)/(7)	(9)=(8)/(4)
SCHERER UNIT 3									
311.00 STRUCTURES AND IMPROVEMENTS	12-2047	90-R1.5 *	(1)	25,019,743.97	5,396,371	19,873,570	20.89	951,465	3.80
312.00 BOILER PLANT EQUIPMENT	12-2047	70-L0 *	(2)	221,124,925.09	82,893,740	142,653,683	19.73	7,230,734	3.27
314.00 TURBOGENERATOR UNITS	12-2047	65-R0.5 *	(1)	45,493,042.70	18,247,401	27,700,572	19.73	1,403,750	3.09
315.00 ACCESSORY ELECTRIC EQUIPMENT	12-2047	70-S0 *	(1)	13,358,128.69	2,128,667	11,363,043	20.02	567,647	4.25
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT	12-2047	70-R0.5 *	(1)	806,672.98	402,055	412,685	19.43	21,239	2.63
TOTAL SCHERER UNIT 3				*305,802,513.43*	*109,068,235*	*202,003,553*	*19.85*	*10,174,835*	*3.33*
TOTAL SCHERER STEAM PLANT				***405,576,034.14***	***132,872,657***	***279,496,164***	***20.01***	***13,966,232***	***3.44***
MANATEE STEAM PLANT									
MANATEE COMMON									
311.00 STRUCTURES AND IMPROVEMENTS				59,020,668.11	35,557,698				
312.00 BOILER PLANT EQUIPMENT				9,867,173.75	5,643,321				
314.00 TURBOGENERATOR UNITS				15,195,582.97	8,841,322				
315.00 ACCESSORY ELECTRIC EQUIPMENT				10,848,807.94	8,095,548				
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT				351,449.51	150,129				
TOTAL MANATEE COMMON				*95,283,682.28*	*58,288,017*				
MANATEE UNIT 1									
311.00 STRUCTURES AND IMPROVEMENTS				7,538,347.15	5,765,683				
312.00 BOILER PLANT EQUIPMENT				190,407,397.03	143,390,771				
314.00 TURBOGENERATOR UNITS				81,301,602.12	47,971,246				
315.00 ACCESSORY ELECTRIC EQUIPMENT				24,747,107.35	10,588,929				
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT				4,118,733.98	3,000,840				
TOTAL MANATEE UNIT 1				*308,113,187.63*	*210,717,467*				
MANATEE UNIT 2									
311.00 STRUCTURES AND IMPROVEMENTS				5,802,619.88	4,285,632				
312.00 BOILER PLANT EQUIPMENT				192,317,861.58	144,915,637				
314.00 TURBOGENERATOR UNITS				86,351,524.02	57,256,076				
315.00 ACCESSORY ELECTRIC EQUIPMENT				19,853,920.92	9,412,817				
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT				3,621,758.80	2,507,664				
TOTAL MANATEE UNIT 2				*307,947,685.20*	*218,377,825*				
TOTAL MANATEE STEAM PLANT				**711,344,555.11**	**487,383,310**				
TOTAL STEAM PRODUCTION PLANT				**2,176,604,552.65**	**1,110,771,130**	**863,619,653**	**12.48**	**69,210,776**	**3.18**

* CURVE SHOWN IS INTERIM SURVIVOR CURVE. LIFE SPAN METHOD IS USED.

FLORIDA POWER AND LIGHT

COMPARISON OF FPL AND FEA DEPRECIATION MODELS
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2025
STEAM PRODUCTION PLANT ACCOUNTS

		FPL MODEL[1]					FEA MODEL[2]					DELTA				
ACCOUNT	ORIGINAL COST AS OF DECEMBER 31, 2025	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(2)	(8)	(9)	(10)	(11)	(12)=(11)/(2)	(13)	(14)	(15)	(16) = (11) - (6)	(17) = (12) - (7)
STEAM PRODUCTION PLANT																
GULF CLEAN ENERGY CENTER																
GULF CLEAN ENERGY CENTER COMMON																
311 00 STRUCTURES AND IMPROVEMENTS	186,314,614 47	12-2038	90-R1 5 *	(1)	7,817,620	4 20	12-2038	90-R1 5 *	(1)	7,821,221	4 20	-	TRUE	-	3,601	(0 00)
312 00 BOILER PLANT EQUIPMENT	67,802,573 74	12-2038	70-L0 *	(1)	3,313,068	4 89	12-2038	70-L0 *	(2)	3,368,094	4 97	-	TRUE	(1 00)	55,026	0 08
314 00 TURBOGENERATOR UNITS	27,517,819 81	12-2038	65-R0 5 *	(1)	1,110,124	4 03	12-2038	65-R0 5 *	(1)	1,110,432	4 04	-	TRUE	-	308	0 01
315 00 ACCESSORY ELECTRIC EQUIPMENT	92,874,092 60	12-2038	70-S0 *	(1)	3,960,381	4 26	12-2038	70-S0 *	(1)	3,955,364	4 26	-	TRUE	-	(5,017)	(0 00)
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	17,306,912 49	12-2038	70-R0 5 *	0	965,285	5 58	12-2038	70-R0 5 *	(1)	1,043,519	6 03	-	TRUE	(1 00)	78,234	0 45
TOTAL GULF CLEAN ENERGY CENTER COMMON	*391 816 013 11*				*17 166 478*	*4 38*				*17 298 629*	*4 41*				*132 151*	*0 03*
GULF CLEAN ENERGY CENTER UNIT 4																
311 00 STRUCTURES AND IMPROVEMENTS	95,771 64	12-2029	90-R1 5 *	(1)	4,848	5 06	12-2029	90-R1 5 *	(1)	4,854	5 07	-	TRUE	-	6	0 01
312 00 BOILER PLANT EQUIPMENT	25,432,944 35	12-2029	70-L0 *	(1)	1,892,956	7 44	12-2029	70-L0 *	(2)	1,955,252	7 69	-	TRUE	(1 00)	62,296	0 25
314 00 TURBOGENERATOR UNITS	11,761,081 51	12-2029	65-R0 5 *	(1)	923,533	7 85	12-2029	65-R0 5 *	(1)	923,318	7 85	-	TRUE	-	(215)	0 00
315 00 ACCESSORY ELECTRIC EQUIPMENT	3,904,101 63	12-2029	70-S0 *	(1)	269,584	6 91	12-2029	70-S0 *	(1)	269,170	6 89	-	TRUE	-	(414)	(0 02)
TOTAL GULF CLEAN ENERGY CENTER UNIT 4	*41 193 899 13*				*3 090 921*	*7 50*				*3 152 594*	*7 65*				*61 673*	*0 15*
GULF CLEAN ENERGY CENTER UNIT 5																
311 00 STRUCTURES AND IMPROVEMENTS	19,654 33	12-2029	90-R1 5 *	(1)	1,044	5 31	12-2029	90-R1 5 *	(1)	1,044	5 31	-	TRUE	-	0	0 00
312 00 BOILER PLANT EQUIPMENT	27,217,079 47	12-2029	70-L0 *	(1)	1,977,599	7 27	12-2029	70-L0 *	(2)	2,045,387	7 52	-	TRUE	(1 00)	67,788	0 25
314 00 TURBOGENERATOR UNITS	15,959,988 83	12-2029	65-R0 5 *	(1)	1,327,673	8 32	12-2029	65-R0 5 *	(1)	1,326,711	8 31	-	TRUE	-	(962)	(0 01)
315 00 ACCESSORY ELECTRIC EQUIPMENT	4,339,940 70	12-2029	70-S0 *	(1)	331,884	7 65	12-2029	70-S0 *	(1)	331,396	7 64	-	TRUE	-	(488)	(0 01)
TOTAL GULF CLEAN ENERGY CENTER UNIT 5	*47 536 663 33*				*3 638 200*	*7 65*				*3 704 538*	*7 79*				*66 338*	*0 14*
GULF CLEAN ENERGY CENTER UNIT 6																
312 00 BOILER PLANT EQUIPMENT	158,716,062 90	12-2035	70-L0 *	(1)	8,908,423	5 61	12-2035	70-L0 *	(2)	9,069,029	5 71	-	TRUE	(1 00)	160,606	0 10
314 00 TURBOGENERATOR UNITS	68,813,305 75	12-2035	65-R0 5 *	(1)	4,952,980	7 20	12-2035	65-R0 5 *	(1)	4,952,665	7 20	-	TRUE	-	(315)	(0 00)
315 00 ACCESSORY ELECTRIC EQUIPMENT	38,213,127 39	12-2035	70-S0 *	(1)	2,024,223	5 30	12-2035	70-S0 *	(1)	2,022,201	5 29	-	TRUE	-	(2,022)	(0 01)
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	396,451 22	12-2035	70-R0 5 *	0	25,606	6 46	12-2035	70-R0 5 *	(1)	28,845	7 28	-	TRUE	(1 00)	3,239	0 82
TOTAL GULF CLEAN ENERGY CENTER UNIT 6	*266 138 947 26*				*15 911 232*	*5 98*				*16 072 740*	*6 04*				*161 508*	*0 06*
GULF CLEAN ENERGY CENTER UNIT 7																
312 00 BOILER PLANT EQUIPMENT	156,616,338 69	12-2038	70-L0 *	(1)	7,185,961	4 59	12-2038	70-L0 *	(2)	7,315,742	4 67	-	TRUE	(1 00)	129,781	0 08
314 00 TURBOGENERATOR UNITS	123,145,921 13	12-2038	65-R0 5 *	(1)	6,179,838	5 02	12-2038	65-R0 5 *	(1)	6,175,691	5 01	-	TRUE	-	(4,147)	(0 01)
315 00 ACCESSORY ELECTRIC EQUIPMENT	32,643,452 72	12-2038	70-S0 *	(1)	1,496,497	4 58	12-2038	70-S0 *	(1)	1,496,508	4 58	-	TRUE	-	11	0 00
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	592,728 03	12-2038	70-R0 5 *	0	25,531	4 31	12-2038	70-R0 5 *	(1)	28,101	4 74	-	TRUE	(1 00)	2,570	0 43
TOTAL GULF CLEAN ENERGY CENTER UNIT 7	*312,998,440 57*				*14,887,827*	*4 76*				*15,016,043*	*4 80*				*128,216*	*0 04*
TOTAL GULF CLEAN ENERGY CENTER	***1,059,683,963.40***				***54,694,658***	***5.16***				***55,244,544***	***5.21***				***549,886***	***0.05***
SCHERER STEAM PLANT																
SCHERER COMMON																
311 00 STRUCTURES AND IMPROVEMENTS	33,826,939 68	12-2035	90-R1 5 *	(1)	3,029,614	8 96	12-2047	90-R1 5 *	(1)	1,404,803	4 15	12 0	TRUE	-	(1,624,811)	(4 81)
312 00 BOILER PLANT EQUIPMENT	52,577,677 80	12-2035	70-L0 *	(1)	3,818,974	7 26	12-2047	70-L0 *	(2)	1,866,328	3 55	12 0	TRUE	(1 00)	(1,952,646)	(3 71)
314 00 TURBOGENERATOR UNITS	1,394,231 44	12-2035	65-R0 5 *	(1)	83,246	5 97	12-2047	65-R0 5 *	(1)	40,935	2 94	12 0	TRUE	-	(42,311)	(3 03)
315 00 ACCESSORY ELECTRIC EQUIPMENT	2,587,190 27	12-2035	70-S0 *	(1)	235,319	9 10	12-2047	70-S0 *	(1)	111,657	4 32	12 0	TRUE	-	(123,662)	(4 78)
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	9,387,481 52	12-2035	70-R0 5 *	0	732,634	7 80	12-2047	70-R0 5 *	(1)	367,674	3 92	12 0	TRUE	(1 00)	(364,960)	(3 88)
TOTAL SCHERER COMMON	*99 773 520 71*				*7 899 787*	*7 92*				*3 791 398*	*3 80*				*(4 108 389)*	*(4 12)*
SCHERER UNIT 3																
311 00 STRUCTURES AND IMPROVEMENTS	25,019,743 97	12-2035	90-R1 5 *	(1)	2,029,987	8 11	12-2047	90-R1 5 *	(1)	951,465	3 80	12 0	TRUE	-	(1,078,522)	(4 31)
312 00 BOILER PLANT EQUIPMENT	221,124,925 09	12-2035	70-L0 *	(1)	14,690,631	6 64	12-2047	70-L0 *	(2)	7,230,734	3 27	12 0	TRUE	(1 00)	(7,459,897)	(3 37)
314 00 TURBOGENERATOR UNITS	45,493,042 70	12-2035	65-R0 5 *	(1)	2,897,549	6 37	12-2047	65-R0 5 *	(1)	1,403,750	3 09	12 0	TRUE	-	(1,493,799)	(3 28)
315 00 ACCESSORY ELECTRIC EQUIPMENT	13,358,128 69	12-2035	70-S0 *	(1)	1,179,963	8 83	12-2047	70-S0 *	(1)	567,647	4 25	12 0	TRUE	-	(612,316)	(4 58)
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	806,672 98	12-2035	70-R0 5 *	0	41,973	5 20	12-2047	70-R0 5 *	(1)	21,239	2 63	12 0	TRUE	(1 00)	(20,734)	(2 57)
TOTAL SCHERER UNIT 3	*305,802,513 43*				*20,840,103*	*6 81*				*10,174,835*	*3 33*				*(10,665,268)*	*(3 49)*
TOTAL SCHERER STEAM PLANT	***405,576,034.14***				***28,739,890***	***7.09***				***13,966,232***	***3.44***				***(14,773,658)***	***(3.64)***
MANATEE STEAM PLANT																
MANATEE COMMON																
311 00 STRUCTURES AND IMPROVEMENTS	59,020,668 11															
312 00 BOILER PLANT EQUIPMENT	9,867,173 75															
314 00 TURBOGENERATOR UNITS	15,195,582 97															
315 00 ACCESSORY ELECTRIC EQUIPMENT	10,848,807 94															
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	351,449 51															
TOTAL MANATEE COMMON	*95 283 682 28*															

FLORIDA POWER AND LIGHT

COMPARISON OF FPL AND FEA DEPRECIATION MODELS
RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2025
STEAM PRODUCTION PLANT ACCOUNTS

		FPL MODEL[1]					FEA MODEL[2]					DELTA				
ACCOUNT	ORIGINAL COST AS OF DECEMBER 31, 2025	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(2)	(8)	(9)	(10)	(11)	(12)=(11)/(2)	(13)	(14)	(15)	(16) = (11) - (6)	(17) = (12) - (7)
MANATEE UNIT 1																
311 00 STRUCTURES AND IMPROVEMENTS	7,538,347 15															
312 00 BOILER PLANT EQUIPMENT	190,407,397 03															
314 00 TURBOGENERATOR UNITS	81,301,602 12															
315 00 ACCESSORY ELECTRIC EQUIPMENT	24,747,107 35															
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	4,118,733 98															
TOTAL MANATEE UNIT 1	*308 113 187 63*															
MANATEE UNIT 2																
311 00 STRUCTURES AND IMPROVEMENTS	5,802,619 88															
312 00 BOILER PLANT EQUIPMENT	192,317,861 58															
314 00 TURBOGENERATOR UNITS	86,351,524 02															
315 00 ACCESSORY ELECTRIC EQUIPMENT	19,853,920 92															
316 00 MISCELLANEOUS POWER PLANT EQUIPMENT	3,621,758 80															
TOTAL MANATEE UNIT 2	*307,947,685 20*															
TOTAL MANATEE STEAM PLANT	**711,344,555.11**															
TOTAL STEAM PRODUCTION PLANT	**2,176,604,552.65**				**83,434,548**	**3.83**				**69,210,776**	**3.18**				**(14,223,772)**	**(0.65)**

* CURVE SHOWN IS INTERIM SURVIVOR CURVE LIFE SPAN METHOD IS USED

Sources:
[1] Exhibit NWA-1, Table 1
[2] Exhibit BCA-1

QUESTION:
Depreciation & Dismantlement Studies. Page 8, lines 15-17 of the Direct Testimony of witness Keith Ferguson says the following:

> "$13.5 million increase in the steam function as a result of an adjustment in the estimated retirement date for Scherer Unit 3 from 2047 to 2035 based on the date disclosed in Georgia Power's 2025 Integrated Resource Plan."

a. Identify the workpapers, preferably in Excel, showing the calculation of the "$13.5 million increase" as a result of an adjustment in the estimated retirement date for Scherer Unit 3 from 2047 to 2035.

b. Is it correct that the referenced "Georgia Power's 2025 Integrated Resource Plan" is dated January 2025, and on page 63 says the following:

> "The Company's updated economic analysis included in the Unit Retirement Study in Technical Appendix Volume 1, evaluates the economic implications of new environmental regulations, including the Supplemental ELG Rule and the 111 GHG Rules…"?

And also says:

> **"Plant Scherer Units 1-3:** Continued operation of the units with investment in the necessary environmental controls is recommended. The selection of membrane-based technology for the ELG Reconsideration Rule, as recommended in the 2022 IRP, minimizes the incremental costs for Plant Scherer Units 1-3 under the Supplemental ELG Rule. Combined with other economic factors, this demonstrates that continued operation is cost effective. ELG control systems are required to maintain availability of the co-fire compliance pathway under the 111 GHG Rules, which permits extended operation until December 31, 2038, and defers the need for replacement capacity until 2039."

If the above is not a correct statement, please provide the corrected statement and support for the corrected statement.

c. Provide the date(s) when the EPA (or other Federal agency) adopted the "new environmental regulations, including the Supplemental ELG Rule and the 111 GHG Rules…"

RESPONSE:

a. The change in the estimated retirement date for Scherer Unit from 2047 to 2035 was the primary driver of the $13.5 million increase in the steam function comprising $8.1 million of the total difference. The remainder of the difference is primarily related to continued investments at the Gulf Clean Energy Center. Refer to Attachment 1 for a summary of the $13.5 million increase which is an excerpt from workpaper titled "Support Exhibit KF - 2 - Impacts to Depreciation Expense" provided in FPL's response to OPC's First Request for Production Request No. 15.

   In preparation of this response, it was determined that FPL inadvertently included Manatee Unit 1 costs in the calculation of the depreciation expense Company Adjustment on Exhibit KF-2. As a result, the depreciation Company Adjustment is overstated by $18,690 for 2026 and 2027. FPL will reflect the correction of these 2026 and 2027 Company Adjustments in FPL's Notice of Identified Adjustments to be filed at a later time in this docket.

b. Yes, however, the Georgia Power's Integrated Resource Plan (IRP) presents two planning scenarios for the expected retirement date of Scherer Unit 3 – 2035 or 2038. Below is an excerpt from Page 59 from the IRP:

   "With the 2025 IRP, the Company is seeking approval of the following actions to serve customers, as detailed further in this Chapter.

   - Preserve 1,007 MW of reliable existing operating capacity, beginning in the winter of 2028/2029 through extending the operation of six generating units:
     - **Extend Plant Scherer Unit 3** beyond December 31, 2028, assuming operation of this unit through 2035 or 2038, depending on the planning scenario. A request for return of 187 MW of wholesale capacity from Plant Scherer Unit 3 to retail service."

   These two planning scenarios are also referenced at the top of page 62 of the IRP in the "Notes" section.

   In addition, in preparation of the FPL Depreciation Study, FPL received an e-mail from Georgia Power stating that the expected retirement date of Scherer Unit 3 was December 31, 2035. Please refer to the email from Georgia Power "Re_ Scherer Unit 3 Estimated Retirement Date" provided in FPL's response to OPC's First Request for Production Request No. 15.

c. On March 26, 2023, EPA published the draft Supplemental ELG rule that was finalized on May 9, 2024. The draft 111 GHG rule was published on May 11, 2023, and was finalized on April 25, 2024. Both rules became effective on July 8, 2024.

Florida Power & Light Company
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FEA's Third Set of Interrogatories
Interrogatory No. 7
Page 1 of 1

QUESTION:
On April 8, 2025, the President issued Executive Orders (EO) pertaining to the United States Electric Grid and the Coal Industry. See EOs titled, "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" and "Strengthening reliability and security of the United States Electric Grid," signed by President Trump on April 8, 2025. Please provide a detailed narrative explaining how the EOs will, could, or may affect FP&L's power plants, specifically, its proposal to shorten the life of the Scherer 3 coal plant.

RESPONSE:
The referenced Executive Orders (EO), "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" and "Strengthening reliability and security of the United States Electric Grid," signed by President Trump on April 8, 2025, will have no immediate or prospective impact on FPL's power plants (natural gas, nuclear, and solar) and specifically its plans to retire its 25% ownership share (215 MW) in the coal-fueled Scherer Unit 3 in Georgia.

FPL stated in its 2025 Ten Year Site Plan that it would delay its planned retirement of its 25% interest in this Scherer 3 unit, which retirement had been scheduled for the end of 2028 consistent with the primary owner Georgia Power's plans to retire the unit at that time. Georgia Power, the primary owner of Scherer Unit 3, now plans to continue to operate this plant for the foreseeable future. As a result, FPL must follow suit and push out its retirement date for the unit at a minimum to beyond 2034.

These EOs would not require that the planned retirement of FPL's interest in Scherer Unit 3 be delayed or halted. The EO "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" directs the Secretary of Energy and the heads of a number of other federal executive agencies to develop policies and regulations to support the coal industry in a number of different ways. This EO does not prohibit the retirement of an interest in a coal-fueled generation unit as FPL has planned now outside of the 2034 timeframe. Similarly, the EO "Strengthening reliability and security of the United States Electric Grid" provides for nothing that would immediately or prospectively halt FPL's planned retirement of the Scherer 3 unit after 2034. This EO simply directs the Secretary of Energy to develop policies, regulations, and processes to strengthen the reliability and security of the U.S. electric grid, including strengthening the Secretary of Energy's emergency authority under the Federal Power Act, a uniform system to establish reserve margins for all regions of the bulk power system, and criteria to identify critical generation resources for system reliability.

CERTIFICATE OF SERVICE
Docket Nos. 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 9th day of June, 2025, to the following:

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